



Statements & Letters of Support for  
The American Health Care Act

From

**INDUSTRY GROUPS**



March 8, 2017

The Honorable Greg Walden  
Chairman  
Committee on Energy and Commerce  
United States House of Representatives

The Honorable Kevin Brady  
Chairman  
Committee on Ways and Means  
United States House of Representatives

Dear Chairman Walden and Chairman Brady:

Thank you for your efforts to make high-quality healthcare accessible and affordable for all Americans. As your committees consider the replacement of the Affordable Care Act (ACA) with the draft American Health Care Act (AHCA), the Healthcare Leadership Council (HLC) appreciates the opportunity to share perspectives on this important topic from our multi-sector membership.

HLC is a coalition of chief executives from all disciplines within American healthcare. Our members – the nation's leading hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, biotech firms, health product distributors, pharmacies, post-acute care providers and information technology companies – are committed to advancing a consumer-centered healthcare system that values innovation, accessibility and affordability.

Medicaid serves as an important safety net for vulnerable individuals and families. In moving to a per-capita model, as called for in the AHCA, we look forward to working with you to ensure that such a model is actuarially sound and is developed through a fully transparent process in which data, assumptions and methodologies are utilized in a manner that meets the needs of patients, healthcare providers, and the states. We applaud the restoration of Disproportionate Share Hospital (DSH) payments for those hospitals serving vulnerable populations.

HLC believes that the post-ACA health insurance structure must bolster the stability of the marketplace, encourage greater competition, and give all Americans enhanced choice and flexibility in their coverage. We are pleased to see that the draft legislation will stabilize the market by continuing the current cost-sharing subsidies until 2020. We also strongly support the creation of a Patient and State Stability Fund that will enable states to assist their high-risk enrollees and, in so doing, ensure that coverage is more affordable to other health insurance consumers. We urge you to make this fund permanent and to provide it with broad-based and stable funding.

We are also pleased that the draft legislation includes an advanceable, refundable tax credit that individuals can use to purchase insurance, especially during this transition period in which the individual health insurance market is fragile. Republicans were first in implementing an effective advanceable, refundable tax credit under the Trade Adjustment Assistance Act. Under the AHCA, consumers will be protected by guaranteed issuance of coverage regardless of pre-existing condition and by a continuing ban on lifetime coverage limits. The legislation's continuous coverage requirements will improve affordability and better ensure a stable insurance market. We also support the flexibility for insurers to offer a broader range of plan options that will attract more consumers by meeting their needs and state of health.

Consumers will be further empowered by the repeal of the tax increase on health savings accounts and the repeal of limitations on contributions to flexible spending accounts and health savings accounts. This will potentially allow individuals to have more funds to cover their healthcare expenses. Additionally, HLC supports the repeal of ACA taxes, including the medical device tax and the health insurance tax, that have a detrimental impact on quality care and healthcare innovation.

Thank you again for your leadership in addressing the nation's healthcare challenges. The Healthcare Leadership Council and its member companies look forward to working with you in a constructive collaboration to develop an optimal, 21st century healthcare system. If you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435.

Sincerely,

A handwritten signature in black ink, reading "Mary R. Grealy". The signature is fluid and cursive, with the first name "Mary" and last name "Grealy" clearly legible.

Mary R. Grealy  
President

March 8, 2017

United States House of Representatives  
Washington, D.C. 20515

**RE: 2017 Budget Reconciliation Legislative Recommendations**

Dear Representative:

I am writing to express HR Policy Association's strong support for the provisions in the 2017 House Reconciliation Legislative Recommendations concerning employer-sponsored insurance. The House bill recognizes the importance preserving the system of employer-provided health care benefits that 177 million Americans rely on. We are pleased the House delayed the Affordable Care Act's (ACA) onerous 40% tax on employee health benefits and did not cap the tax exclusion for those benefits. We look forward to working with Congress to fully repeal the ACA's Cadillac Tax.

The HR Policy Association is the lead organization representing chief human resource officers of over 385 of the largest corporations doing business in the United States. The member companies, all of whom are large employers, provide health care coverage to over 21 million employees and dependents, and collectively spend more than \$76 billion annually on health care in the U.S. About 31 percent of the Association's member companies will have one or more health care plans that will be subject to the tax in 2020.

As you proceed with health care reform, please consider these two important policy pillars:

- The Employee Retirement Income Security Act (ERISA) and its role in enabling employers to offer uniform health care benefits to employees no matter where they live, work or receive medical care is crucial. Strengthening ERISA preemption is needed to protect continued access to coverage for millions of American families.
- Enabling flexibility and innovations in employer-sponsored coverage to reduce health care spending. Employers are adopting new strategies that are improving the delivery of health care, driving value-based payment reforms, helping employees maintain their health, and empowering employees and their families with more tools to help them avoid and manage chronic illnesses. In this regard, we are pleased the House bill expands the ability to use Health Savings Accounts.

The HR Policy Association strongly encourages the House to pass the employer-sponsored insurance provisions of the 2017 Budget Reconciliation Legislative Recommendations and looks forward to working with you on health care reform in the future.

Sincerely,



Daniel V. Yager  
President and Chief Executive Officer



## STATEMENT

March 7, 2017

Contact: Anita Brikman

202.263.9640

### Statement from the Consumer Healthcare Products Association

**WASHINGTON, D.C.** – The Consumer Healthcare Products Association (CHPA) issued the following statement from President and CEO Scott Melville after introduction of reconciliation legislation in the U.S. House of Representatives:

“CHPA strongly supports restoration of the ability for consumers to use their Flexible Spending Arrangements (FSAs) and Health Savings Accounts (HSAs) to purchase over-the-counter (OTC) medicines, and urges the Ways & Means Committee to advance this important measure. According to a survey conducted by Harris Poll on behalf of CHPA, the majority of Americans (75%) favor including OTCs in FSAs and HSAs. Since 2011, a provision in the Affordable Care Act (ACA) took away the ability of consumers to use their tax-preferred HSA and FSA dollars to purchase OTC medicines, unless they first received a prescription. At a time when more and more Americans are exercising these vital HSA and FSA benefits, this is a common sense fix for many families who rely on non-prescription OTC medicines to treat common ailments such as allergies, cough and colds, or pain.”

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*The Consumer Healthcare Products Association (CHPA) is the 136-year-old national trade association representing the leading manufacturers and marketers of over-the-counter (OTC) medicines and dietary supplements. Every dollar spent by consumers on OTC medicines saves the U.S. healthcare system \$6-\$7, contributing a total of \$102 billion in savings each year. CHPA is committed to empowering self-care by preserving and expanding choice and availability of consumer healthcare products. [chpa.org](http://chpa.org)*



## **NEWS RELEASE**

**NR 2017-10**

### **American Benefits Council statement on GOP health proposal**

**WASHINGTON, D.C. — March 6, 2017 —** "The American Health Care Act, released today, wisely avoids a new tax on Americans with employer-provided health benefits," American Benefits Council President James A. Klein said today. "We applaud that decision and we are also pleased the Cadillac Tax effective date is delayed through 2024," Klein said.

"We understand that a budget rule technicality presents an obstacle to permanent repeal of the Cadillac Tax on a budget bill. When this same problem arose in 2015, the Senate acted to overcome this obstacle with a 90-10 vote to make repeal permanent.

"It is imperative that Congress again overcome this obstacle to ensure permanent repeal of the Cadillac Tax and also resist any efforts to revive proposals to cap the tax exclusion for employer-sponsored health benefits," Klein added.

"The Council appreciates that the proposal zeroes-out the Affordable Care Act's (ACA) employer mandate penalties and we will continue to work with Congress to ensure final legislation reduces employer reporting and other ACA burdens," Klein concluded.

For more information on health reform legislation, or to arrange an interview with Klein or the Council's health policy team, contact Jason Hammersla, Council senior director of communications, at

[jhammersla@abcstaff.org](mailto:jhammersla@abcstaff.org) or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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*The American Benefits Council is the national trade association for companies concerned about federal legislation and regulations affecting all aspects of the employee benefits system. The Council's members represent the entire spectrum of the private employee benefits community and either sponsor directly or administer retirement and health plans covering more than 100 million Americans.*

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